



Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

**TO: State Budget & Control Board
Senate Finance Committee
House Ways & Means Committee**

**FROM: Alan D. Young, Executive Director, Coordinating Council
South Carolina Department of Commerce**

DATE: March 15, 2007

**SUBJECT: Coordinating Council Annual Report of Fund Activity
and Enterprise Program Activity for 2006**

On behalf of the Coordinating Council for Economic Development, I am pleased to submit the 2006 Coordinating Council for Economic Development Annual Report of Fund Activity. In accordance with Sections 12-10-85(D) and 12-10-100(C) of the Enterprise Zone Act of 1995, this report details activities of the Council regarding the Economic Development Set-Aside Fund, the Governor's Closing Fund, the State Rural Infrastructure Fund, the Tourism Infrastructure Fund and the Enterprise Zone Programs managed by the Department of Commerce's Coordinating Council Division.

Please call me at 803-737-0448 should you have questions or need additional information.

cc: The Honorable Joe E. Taylor, Jr., Secretary of Commerce
Chairman, Coordinating Council for Economic Development
Ralph A. Odom, Jr., Chairman, State Board Tech/Comp Education
Chairman, Enterprise Committee
The Honorable Rebecca D. Richardson, Commissioner, SC Employment Security
Commission
The Honorable Hugh E. Weathers, Commissioner, SC Department of Agriculture
Ray Stevens, Director, SC Department of Revenue
Dr. David Moody, Chairman, SC Research Authority
Peter Brown, Chairman, JEDA
O.L. Thompson, Chairman, Santee Cooper
Chad Prosser, Director, SC Dept. of Parks, Recreation & Tourism
Bill H. Stern, Chairman, State Ports Authority

Enclosure

**South Carolina
Coordinating Council for
Economic Development**

2006 Annual Report

Economic Development Set-Aside Fund

Governor's Closing Fund

Rural Infrastructure Fund

Tourism Infrastructure Fund

Motion Picture Incentives

Enterprise Zone Programs

March 2007

SC Coordinating Council for Economic Development 2006 Annual Report

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EXECUTIVE SUMMARY

The Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the State. Formally established in 1986 by the General Assembly (13-1-1710), the Council is currently comprised of the heads of the 10 state agencies concerned with economic development. These agency heads are either board chairmen or cabinet officials, and they meet quarterly to conduct the Council's business.

The Council's administrative staff is housed within the Department of Commerce Grants Administration Division and administers the Enterprise Program and the Council's four grant funds. The Council also certifies economic development projects as representing a "significant economic impact" on the surrounding area, for the purposes of qualifying for income tax apportionment and income tax moratoriums. Grants Administration also manages two federal grant programs, the Community Development Block Grant (CDBG) and Appalachian Regional Commission (ARC) programs. The Coordinating Council and Enterprise Zone programs and their 2006 accomplishments are described in detail in the following sections of this report.

HIGHLIGHTS OF 2006 PERFORMANCE

COORDINATING COUNCIL GRANT PROGRAMS

The Economic Development Set-Aside Fund is the Coordinating Council's primary business development tool for assisting local governments with road, water/sewer infrastructure or site improvements related to business location or expansion. The Governor's Closing Fund was created in 2006 to assist when additional funding is necessary to recruit or retain high impact economic development projects in the state. The Rural Infrastructure Fund is used mainly to assist local governments in the state's rural areas with economic development preparation through a variety of activities, but funds may also be used for building, site or infrastructure improvements related to business location or expansion. The Wastewater Fund represented one-time tobacco-related funding which was used to fund infrastructure projects throughout the state. Though all funds were awarded in previous years, some recaptured funds did become available and were used to fund additional water/sewer infrastructure grants. In 2006:

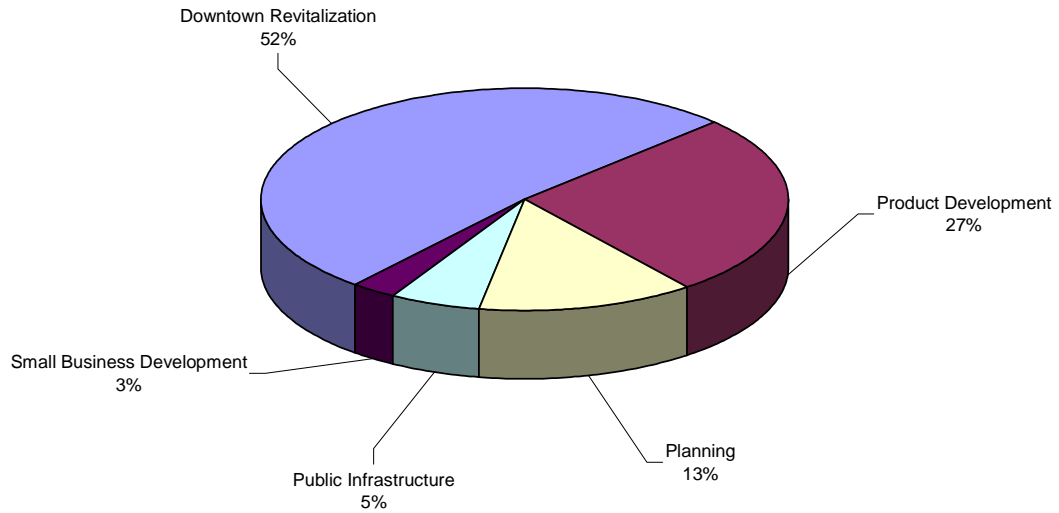
- \$22.3 million in business development assistance was awarded to 21 local governments in 19 counties for water, sewer, roads, site preparation, building improvements (RIF only) or other infrastructure necessary to facilitate business expansions or locations. The related businesses will create 5,062 new jobs and \$1.8 billion in new capital investment.

- 4 communities in “Distressed” and “Least Developed” counties received a total of \$2.8 million for revitalizing downtown commercial areas and stimulating economic development.
- \$1.5 million was awarded to 5 communities in “Distressed” and “Least Developed” counties for projects aimed at developing parks and sites, which in turn can be used to attract jobs and investment.
- 10 communities in “Distressed” counties and 2 communities in “Least Developed” counties were awarded a total of \$712,600 for master plans and marketing and economic plans and studies.
- One “Distressed” county was awarded \$150,000 to create a small business incubator, and \$300,000 was awarded to one community in a “Least Developed” county for public infrastructure.

The above amounts include only new grant awards during 2006 and do not include amendments or adjustments to any previously approved grant funds.

2006 COORDINATING COUNCIL BUSINESS DEVELOPMENT GRANTS AND RELATED JOBS AND INVESTMENT			
COUNTY TIER	TOTAL AWARDS	NEW JOBS	NEW CAPITAL INVESTMENT
Developed	\$7,101,000	1134	\$1,125,993,000
Moderately Developed	\$2,325,000	1673	\$170,050,000
Under Developed	\$1,090,311	255	\$87,200,000
Least Developed	\$5,995,000	1229	\$220,940,000
Distressed	\$5,783,000	771	\$220,815,000
TOTALS	\$22,294,311	5,062	\$1,824,998,000

2006 Coordinating Council Non-Business Development Grants



CATEGORY	AMOUNT
Downtown Revitalization	\$2,828,763
Product Development	\$1,458,000
Planning	\$737,600
Public Infrastructure	\$300,000
Small Business Development	\$150,000
TOTAL	\$5,474,363

2006 BUSINESS DEVELOPMENT GRANTS

County	County Tier	Scope of Work	Funding Source	Grant Amount	Projected New Jobs	Projected Investment
Aiken	Developed	Roads	Set aside	\$350,000	76	\$50,000,000
Berkeley	Developed	Site Prep	Set aside Closing Fund	\$1,500,000 \$1,000,000	200	\$600,000,000
Charleston	Moderately Developed	Roads	Set aside	\$225,000	50	\$77,000,000
Charleston	Moderately Developed	Site Prep	Set aside	\$400,000	150	\$14,900,000
Charleston	Moderately Developed	Site Prep	Set aside	\$625,000	220	\$37,600,000
Charleston	Moderately Developed	Other	Set aside	\$100,000		
Charleston	Moderately Developed	Roads	Set aside	\$175,000	21	\$6,750,000
Chester	Distressed	Road, water/sewer and site prep	Rural Infrastructure	\$155,000	35	\$5,000,000
Chester	Distressed	Site Prep	Rural Infrastructure	\$3,200,000	400	\$100,000,000
Dillon	Distressed	Site Prep	Rural Infrastructure	\$100,000	11	\$1,900,000
Dorchester	Developed	Roads	Set aside	\$100,000	10	\$5,500,000
Dorchester	Developed	Roads	Set aside	\$150,000	18	\$291,793,000
Dorchester	Developed	Water/Sewer	Set aside	\$140,000	80	\$2,200,000
Greenville	Developed	Roads	Set aside	\$300,000	200	\$37,000,000
Greenville	Developed	Road, water/sewer and site prep	Set aside	\$2,950,000	280	\$125,000,000
Greenwood	Least Developed	Road, water/sewer and site prep	Set aside	\$2,000,000	350	\$3,500,000
Greenwood	Least Developed	Roads	Set aside	\$1,500,000	150	
Jasper	Least Developed	Water/Sewer	Set aside	\$350,000	34	\$7,000,000
Lancaster	Least Developed	Site Prep	Set aside	\$145,000	145	\$13,740,000
Lancaster	Least Developed	Roads	Set aside	\$1,200,000	300	\$65,000,000
Laurens	Least Developed	Water/Sewer	Rural Infrastructure	\$400,000	50	\$2,700,000
Lexington	Developed	Road, water/sewer and site prep	Set aside	\$136,000	50	\$5,500,000
Lexington	Developed	Roads	Set aside	\$200,000	100	\$6,000,000
Oconee	Under Developed	Roads	Set aside	\$90,311	62	\$67,000,000

County	County Tier	Scope of Work	Funding Source	Grant Amount	Projected New Jobs	Projected Investment
Orangeburg	Under Developed	Site Prep	Rural Infrastructure	\$1,000,000	193	\$20,200,000
Orangeburg	Distressed	Rail	Set aside	\$300,000	30	\$12,025,000
Spartanburg	Moderately Developed	Roads	Set aside	\$250,000	911	\$12,750,000
Union	Least Developed	Rail	Rural Infrastructure	\$400,000	200	\$129,000,000
Union	Distressed	Road, water/sewer and site prep	Set aside	\$1,500,000	130	\$90,000,000
Williamsburg	Distressed	Building	Rural Infrastructure	\$250,000	50	\$1,140,000
Williamsburg	Distressed	Water/Sewer	Rural Infrastructure	\$28,000	40	\$2,500,000
Williamsburg	Distressed	Road, water/sewer and site prep	Set aside	\$250,000	75	\$8,250,000
York	Moderately Developed	Roads	Set aside	\$250,000	145	\$10,550,000
York	Moderately Developed	Water/Sewer	Set aside	\$300,000	176	\$10,500,000
York	Moderately Developed	Roads	Set aside	\$275,000	120	\$3,000,000
		TOTAL		\$22,294,311	5,062	\$1,824,998,000

ENTERPRISE ZONE PROGRAMS

Job Development Credit Program

The Job Development Credit (JDC) Program is a discretionary incentive implemented in 1996 to reward companies for creating new jobs and investing in South Carolina, especially in less-developed areas. The JDC acts like a rebate, refunding some or all of a company's qualifying and eligible capital expenditures. The JDC can only be claimed, however, after a company has proven that it has met an agreed-on level of new capital investment and net new job creation. The JDC is performance-based: A company must perform—in a manner consistent with its approval for the program and the level of job creation and new capital investment on which the approval was based—before it can benefit from the program.

2006 JOB DEVELOPMENT CREDIT APPROVALS (BY COUNTY DEVELOPMENT TIER)

COUNTY DESIGNATION	TOTAL PROJECTS APPROVED	TOTAL JOBS	TOTAL INVESTMENT	AVERAGE COMPANY HOURLY WAGE
Developed	19	2,528	\$1,849,089,554	\$20.69
Moderately Developed	15	2,060	\$151,207,897	\$17.01
Under Developed	7	658	\$62,250,000	\$13.73
Least Developed	21	2,772	\$297,597,447	\$22.78
Distressed	9	989	\$192,502,136	\$17.44
Totals	71	9,007	\$2,552,647,034	

Enterprise Zone Retraining Credit Program

The Enterprise Zone Retraining Credit Program helps existing industries maintain their competitive edge and retain their existing workforce by allowing them to claim a Retraining Credit for existing production employees. If approved for the Enterprise Zone Retraining Credit, companies can reimburse themselves up to 50% of approved training costs for eligible production workers (not to exceed \$500 per person per year).

- In 2006, 26 retraining applications were approved, enabling 22 companies to retrain an estimated 12,252 employees over a five-year period.

OVERVIEW OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

The Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the State.

Formally established in 1986 by the General Assembly (13-1-1710), the Council is currently comprised of the heads of the 10 state agencies concerned with economic development. These agency heads are either board chairmen or cabinet officials, and they meet quarterly to conduct the Council's business. The Council's responsibilities include: establishing guidelines and procedures for all its programs, implementing the state's strategy for economic development, review of all Economic Development Set-Aside commitments and grant applications, Closing Fund commitments and applications, Tourism Infrastructure Development projects, Income Apportionment applications, and Rural Infrastructure applications. Due to the high volume of Enterprise Program applications, a six-member sub-committee known as the Enterprise Committee was created to review and approve all Enterprise Program applications and agreements.

AGENCY MEMBERS OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

SC Department of Commerce	*SC Department of Revenue
SC Department of Parks, Recreation & Tourism	*SC Research Authority
Santee Cooper	*Employment Security Commission
State Ports Authority	*SC Department of Agriculture
*State Board Technical/Comprehensive Education	*Jobs Economic Development Authority

**Denotes Enterprise Committee member*

RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT AND STAFF

1. By statute, the Council must meet at least once a quarter to conduct the Council's business.
2. The Council is responsible for reviewing and responding to requests for funding from the Economic Development Set-Aside account.
3. The members of the Full Council must review all guidelines and procedures pertaining to the programs administered by the Coordinating Council.

2006 ADMINISTRATIVE CHANGES

Joe E. Taylor, Jr. was appointed Secretary of Commerce by Governor Sanford in March 2006 and acted as Chairperson of the Coordinating Council for the remainder of 2006. Ralph A. Odom, Jr., Chairman of State Board Technical/Comprehensive Education, acted as Chairperson of the Enterprise Program Committee of the Coordinating Council throughout 2006. The heads of several member agencies changed during 2006.

Council membership after all changes in calendar year 2006 was as follows:

Joe E. Taylor, Jr.	Secretary, SC Department of Commerce
Ray Stevens	Director, SC Department of Revenue
Bill H. Stern	Chairperson, State Ports Authority
Chad Prosser	Director, SC Department of Parks, Recreation & Tourism
O.L. Thompson	Chairperson, Santee Cooper
David Moody	Chairperson, SC Research Authority
Hugh E. Weathers	Commissioner, SC Department of Agriculture
Peter Brown	Chairperson, Jobs and Economic Development Authority
J. William McLeod	Chairperson, SC Employment Security Commission
Ralph A. Odom, Jr.	Chairperson, State Board for Technical & Comprehensive Education

Coordinating Council for Economic Development staff:

Daniel Young	Executive Director, Coordinating Council for Economic Development
Jerilynn Van Story	Assistant Director, Coordinating Council for Economic Development
Marcella S. Forrest	Senior Program Manager, Enterprise Zone Program
Jackie Calvi	Senior Program Manager, CCED Grant Programs

ECONOMIC DEVELOPMENT SET-ASIDE FUND

OVERVIEW

In 1987 the General Assembly passed a bill that provided for an additional 3 cents per gallon tax on the sale of gasoline in the State. The General Assembly charged the Coordinating Council for Economic Development with administering this new initiative known as the Economic Development Set-Aside Program. At inception, the fund was created from the first \$10 million received through state gas tax revenues. The \$10 million was later increased to \$18 million and as of July 2006 is now \$20 million and funding is split between the utility and gas tax revenues. By 2008 utility taxes will be the sole funding source and the Set-Aside revenue will be capped at \$20 million. The Set-Aside fund is dedicated to improving the economic well being of the state by providing funds to local government to develop the infrastructure necessary for new and expanding business.

TYPES OF PROJECTS FUNDED

The Economic Development Set-Aside Fund's purpose is to assist companies in locating or expanding in South Carolina. The Program provides funding for competitive projects that, without Set-Aside participation, would not locate in South Carolina. Set-Aside funds are utilized as grants for road improvements, water and sewer infrastructure, and site improvement costs related to business location and expansion.

FUNDING CONSIDERATIONS

The Council considers funding for projects on an individual basis. In evaluating projects, the Council will consider:

- the competitiveness of the project,
- the number and type of jobs created,
- the type of industry (e.g., manufacturing, distribution, corporate headquarters, research and development),
- unemployment rate in county where the project locates,
- the total invested dollars (land, building, machinery and equipment costs),
- the cost of the project,
- the cost-effectiveness of the project,
- future tax revenues anticipated,
- the time frame for completion of the construction of the facility,

- infrastructure needs of the region,
- funding sought from other sources,
- the financial viability of the company,
- whether the company is a good corporate citizen.

FUNDING GUIDELINES

- Set-Aside funding approval is tied directly to specific economic development projects with new job creation and capital investment.
- As a general rule, Set-Aside funding will not exceed \$10,000 per new job created.
- A DOC Business Development project manager must be actively involved in the recruitment of the economic development project for which funding is requested.
- But for Set-Aside funding the project will not locate or expand in South Carolina.
- If the company fails to meet either the job or the capital investment guarantee, Council reserves the right to require that funds be paid back on a pro rata basis.
- Reimbursement of engineering costs may be limited to the “Percentage of Net Construction Cost” table published by the USDA.
- Project contingencies will be limited to 10% of the project budget.

OVERVIEW OF THE FUNDING PROCESS

1. DOC’s Business Development Division works with the local government to identify specific funding needs for the project. Preliminary details such as cost estimates, project scope, number of jobs and level of investment expected, and company financials are submitted to Business Development.
2. Preliminary information is reviewed, and if it is determined that the project is consistent with the economic development goals of the state and meets established evaluation criteria, the local government is invited to submit a formal application for funding.
3. The application is submitted to the Division of Grants Administration at the DOC and is processed by staff.
4. Funding requests are presented to the Council at its quarterly meetings. The Council has the discretion to approve or disapprove all funding requests and may negotiate funding terms and amounts as it sees fit.
5. If the funding is approved, staff sends an approval packet to the local government applicant. The packet includes the approval letter, grant award agreement and performance agreement.
 - a. The grant award agreement is to be signed by representatives with the authority to enter into contracts on behalf of the local government. Once signed, the agreement becomes an executed contract between the Coordinating Council and the local government. There are specific requirements contained in the grant award agreement

and they are discussed in detail in the “Grant Award Agreement” section of this manual.

- b. The performance agreement is a contract between the company, the local government applicant and the Coordinating Council. This agreement must also be signed by representatives that have the legal authority to enter into a contract on behalf of their respective entity. The performance agreement has specific criteria and they are discussed in detail in the “Performance Agreement” section of this manual.
6. Once contracts related to the grant project are signed, copies are sent to the Council for its review.
7. The Set-Aside grant is a reimbursement of approved project costs. The cost estimates provided at application will serve as the project budget. Only those approved budget items and the respective amounts will be eligible for reimbursement.
8. As project invoices for approved budget items are paid, they are submitted to DOC staff to be processed for payment. Staff monitors the grantee’s compliance with grant terms and reserves the right to deny payment for ineligible project costs or for failure to comply with grant requirements.
9. Once the project is complete, the grantee notifies the Council in writing and a closeout packet is sent.
10. The grantee returns the closeout packet and all required documentation to the Council. The packet is reviewed, and if it is determined that the grantee has complied with all terms of the grant agreement, the grant is officially closed.

ELIGIBLE & INELIGIBLE ACTIVITIES

Effective July 1, 2001 a proviso defining eligible uses of Set-Aside funds was passed by the legislature. Specifically, the proviso limited the use of Set-Aside funds to road construction/improvement projects, water and sewer projects and site preparation. Site preparation is defined as surveying, environmental and geo-technical study and mitigation, clearing, filling, and grading.

In July 2006 another proviso was passed by the legislature to allow fiber optic cable, rail spurs and the purchase of land as eligible activities.

Below is a list of eligible and ineligible activities as defined either by statute or Council guideline.

ELIGIBLE ACTIVITIES

PUBLIC IMPROVEMENTS - ROADS, WATER AND WASTEWATER INFRASTRUCTURE:

- Planning
- Engineering
- Right-of-way
- Drainage
- Curb and Gutter – *only when necessary for drainage*
- Construction
- Cantilevered flashing light signals and/or gates at railroad crossings *when necessary*
- Re-surfacing
- Widening
- Turn Lanes
- Acceleration and/or deceleration lanes

SITE PREPARATION, INCLUDING:

- Clearing
- Fill
- Grading
- Surveying, geo-technical and environmental studies, and mitigation

FIBER OPTIC CABLE

RAIL SPURS

LAND

INELIGIBLE ACTIVITIES

FUNDING SHALL NOT BE USED FOR THE FOLLOWING:

- Speculative purposes
- Opening up access to undeveloped property
- State government funded project
- Maintenance of industrial/research parks
- Shopping centers/strip malls
- Signage (*except project signs required as part of the grant award agreement or permanent construction signs required by the Department of Transportation*)
- Paving of parking lots or lighting
- Civic centers and/or auditoriums; however, road improvements for civic centers may be funded (up to \$1,000,000) if associated with substantial economic development projects
- Curb and guttering if for aesthetic purposes
- Concrete loading docks pads/area
- Equipment and moving expenses
- Residential developments

2006 ACCOMPLISHMENTS

During calendar year 2006, the Economic Development Set-Aside Fund awarded twenty-seven (27) new grants totaling \$15.76 million to fifteen (15) local governments each representing a different county. Projected capital investment from the associated projects is \$1.5 billion, and projected new jobs total 4,083. These totals only represent new grants awarded in 2006 and do not reflect amendments made to previously approved grants or funds committed by the Council.

On the following pages are tables that outline the project placement by county development status and the distribution of funds between economic development projects associated with companies new to South Carolina and existing companies expanding in South Carolina. Also included is a table that provides specifics on all projects approved during calendar year 2006.

**2006 ECONOMIC DEVELOPMENT SET-ASIDE GRANT AWARDS
- BY COUNTY CLASSIFICATION -**

COUNTY CLASSIFICATION	NUMBER OF PROJECTS	PROJECTED INVESTMENT	PROJECTED JOBS
Developed	10	\$1,125,993,000	1,134
Moderately Developed	8	\$170,050,000	1,673
Under Developed	1	\$67,000,000	62
Least Developed & Distressed	8	\$199,515,000	1,214
Totals	27	\$1,562,558,000	4,083

**2006 ECONOMIC DEVELOPMENT SET-ASIDE GRANT AWARDS
- BY PROJECT TYPE -**

PROJECT TYPE	FIRMS	PROJECTED INVESTMENT	PROJECTED JOBS
Existing	10	\$550,243,000	797
New	17	\$1,012,315,000	3286
Totals	27	\$1,562,558,000	4,083

**NEW GRANT AWARDS
ECONOMIC DEVELOPMENT SET-ASIDE FUND
CALENDAR YEAR 2006**

Grant Nbr	Grant Recipient	County	County Tier	Scope of Work	Grant Amount	Projected New Jobs	Projected Investment
S1758	Aiken County	Aiken	Developed	Roads	\$350,000	76	\$50,000,000
S1756	Berkeley County	Berkeley	Developed	Site Prep	\$1,500,000	200	\$600,000,000
S1733	Charleston County	Charleston	Moderately Developed	Roads	\$225,000	50	\$77,000,000
S1735	Charleston County	Charleston	Moderately Developed	Site Prep	\$400,000	150	\$14,900,000
S1736	Charleston County	Charleston	Moderately Developed	Site Prep	\$625,000	220	\$37,600,000
S1736B	Charleston County	Charleston	Moderately Developed	Other	\$100,000		
S1751	Charleston County	Charleston	Moderately Developed	Roads	\$175,000	21	\$6,750,000
S1749	Dorchester County	Dorchester	Developed	Roads	\$100,000	10	\$5,500,000
S1750	Dorchester County	Dorchester	Developed	Roads	\$150,000	18	\$291,793,000
S1752	Dorchester County	Dorchester	Developed	Water/Sewer	\$140,000	80	\$2,200,000
S1757	Greenville County	Greenville	Developed	Roads	\$300,000	200	\$37,000,000
S1759	Greenville County	Greenville	Developed	Road, water/sewer and site prep	\$2,950,000	280	\$125,000,000
S1721	Greenwood County	Greenwood	Least Developed	Road, water/sewer and site prep	\$2,000,000	350	\$3,500,000
S1737	Greenwood County	Greenwood	Least Developed	Roads	\$1,500,000	150	
S1732	Town of Ridgeland	Jasper	Least Developed	Water/Sewer	\$350,000	34	\$7,000,000
S1723	Lancaster County	Lancaster	Least Developed	Site Prep	\$145,000	145	\$13,740,000
S1730	Lancaster County	Lancaster	Least Developed	Roads	\$1,200,000	300	\$65,000,000
S1740	Lexington County	Lexington	Developed	Road, water/sewer and site prep	\$136,000	50	\$5,500,000
S1742	Lexington County	Lexington	Developed	Roads	\$200,000	100	\$6,000,000
S1734	Oconee County	Oconee	Under Developed	Roads	\$90,311	62	\$67,000,000
S1738	Orangeburg County	Orangeburg	Distressed	Rail	\$300,000	30	\$12,025,000
S1739	Spartanburg County	Spartanburg	Moderately Developed	Roads	\$250,000	911	\$12,750,000

Grant Nbr	Grant Recipient	County	County Tier	Scope of Work	Grant Amount	Projected New Jobs	Projected Investment
S1729	Union County	Union	Distressed	Road, water/sewer and site prep	\$1,500,000	130	\$90,000,000
S1747	Williamsburg County	Williamsburg	Distressed	Road, water/sewer and site prep	\$250,000	75	\$8,250,000
S1720	City of Rock Hill	York	Moderately Developed	Roads	\$250,000	145	\$10,550,000
S1727	Town of Fort Mill	York	Moderately Developed	Water/Sewer	\$300,000	176	\$10,500,000
S1741	York County	York	Developed	Roads	\$275,000	120	\$3,000,000

RURAL INFRASTRUCTURE FUND

OVERVIEW

The South Carolina Rural Development Act was enacted by the legislature in 1996 (SC Code 12-10-80). This act established the Rural Infrastructure Fund (RIF) with the purpose of providing financial assistance to local governments, primarily the rural counties, for infrastructure and other economic development activities. The goal of the RIF program is to promote and encourage economic growth and prosperity in the state's rural areas.

The enabling legislation for the RIF gives the SC Coordinating Council for Economic Development responsibility for the rural infrastructure funds generated by the provisions of the Rural Development Act.

Funding for the RIF comes from companies participating in a Revitalization Agreement with the Council. This agreement permits companies to claim a refund for a portion of the employee state payroll taxes the company sends to the SC Department of Revenue each quarter. This refund is designated as a Job Development Credit (JDC) and may be used by the company to offset certain company expenses for training and real property associated with its operations.

Participating companies located in the least developed counties of the state are eligible to claim a refund of up to 100% of the JDCs to which they are entitled under their Revitalization Agreement. Participating companies in under developed counties may claim only 85% of the JDCs for which they are otherwise eligible; in moderately developed counties companies may claim only 70%; and in the developed counties, only 55%.

The JDC funds which participating companies cannot claim as a result of being located in an under, moderately or developed county are the source of funding for the RIF grant program. The SC Department of Revenue collects and transfers these monies to the RIF each quarter.

The Council has designated the Department of Commerce's Community and Rural Development and Grants Administration Divisions to develop and administer the RIF grant program. RIF grant applications are reviewed by a screening committee comprised of members from both Divisions and the Department of Commerce leadership. The screening committee then makes funding recommendations to the Council.

The Council normally meets at least once each calendar quarter. If Council approves a county's RIF application, the Grants Administration Division administers the funds and works with the county to ensure successful implementation of the project.

2006 JOBS TAX CREDIT DESIGNATIONS

DISTRESSED	LEAST DEVELOPED	UNDER DEVELOPED	MODERATELY DEVELOPED	DEVELOPED
Allendale	Aiken	Calhoun	Anderson	Berkeley
Barnwell	Abbeville	Colleton	Beaufort	Dorchester
Chester	Bamberg	Edgefield	Charleston	Greenville
Chesterfield	Cherokee	Georgetown	Darlington	Kershaw
Clarendon	Fairfield	Oconee	Florence	Lexington
Dillon	Greenwood	Pickens	Horry	Richland
Hampton	Jasper	Saluda	Newberry	York
Lee	Lancaster	Sumter	Spartanburg	
Marion	Laurens			
Marlboro	Union			
McCormick				
Orangeburg				
Williamsburg				

Note: As a result of statutory changes during the year, Orangeburg County moved from “Under Developed” to “Distressed” and Aiken County moved from “Developed” to “Least Developed.”

TYPES OF PROJECTS FUNDED

In the past, RIF funds were used primarily for “product development”; however, in 2005, the Council adopted a formal investment strategy that broadened the use of the RIF funds to other activities aimed at preparing qualified areas for economic development. As a result of the investment strategy, RIF funds are now targeted towards assisting with the following activities:

- Tourism development
- Commercial revitalization
- Workforce development
- Business development

APPLICANT QUALIFICATION

Under the enabling legislation, only local governments that are located within counties with a “least developed” or “distressed” designation are qualified to apply for a RIF funding. However, when annual deposits exceed \$10 million, 25% of the amount over \$10 million must be made available to counties qualified as “under developed”, “moderately developed” or “developed” and grants can be made for projects to benefit the underdeveloped areas of those counties.

The “development level” of each county corresponds to the “Jobs Tax Credit” ranking that is determined and published at the beginning of each calendar year by the SC Department of Revenue. The criteria for this determination was established by the legislature (SC Code of Laws §12-6-3360.)

APPLICATION EVALUATION

In evaluating an application, the Council will consider the following:

- Competitiveness of the project;
- Economic viability of the project;
- Cost effectiveness of the project activities;
- The benefit to the state/region/county/municipality;
- The ability of local government(s) to carry out and maintain the project;
- Consistency with the state's strategic development goals;
- The level of financial commitment from the county (and the municipality, if appropriate) in which the project is located.

The consistency of the proposed project with the county's strategic development plan and the degree to which carrying out the project will further the success and implementation of that plan.

ELIGIBLE & INELIGIBLE ACTIVITIES

RIF grant assistance may only be used for certain infrastructure and economic development activities. These activities must be part of a project that supports the implementation of a county's strategic development plan or directly related to the economic development of the area.

ELIGIBLE PROJECT ACTIVITIES

Eligible activities may include:

- Engineering
- Right of Way Acquisition
- Drainage
- Roads
- Rail Spurs
- ED Program Enhancement
- Speculative Building Assistance
- Training costs and facilities
- Improvements to regionally planned public and private water and sewer systems.
- Fixed transportation facilities including highway, rail, water and air.
- Improvements to both public and private electricity, natural gas, and telecommunications systems including, but not limited to, an electric cooperative, electrical utility, or electric supplier described in Chapter 27 of Title 58.
- Environmental Studies
- Feasibility Studies
- Community Revitalization
- Marketing (studies, materials)
- Small Business Incubators
- Industrial Park Development & Improvement

INELIGIBLE PROJECT ACTIVITIES

Activities involved in the following types of projects are not eligible for grant assistance through the RIF program:

- Projects that do not have local political and public support;
- Projects that do not have significant community financial support. (The RIF grant program will not typically fund 100% of any request. Projects will be considered for the RIF grant program only when all other available sources of funding have been committed. There should be a demonstrable shortfall that can only be met with RIF assistance);
- Projects that do not have all other sources of needed funds committed;
- Projects that cannot proceed to completion within a reasonable period of time.

2006 ACCOMPLISHMENTS

The Coordinating Council funded thirty (30) community development related Rural Infrastructure Fund projects. These RIF grants assisted seventeen (17) rural counties with a variety of economic development preparation activities ranging from development of sites, buildings and industrial parks to attract economic development, commercial revitalization, public infrastructure improvements, tourism development and workforce development. Of the thirty RIF grants, eight (8) project-related business development grants were awarded to assist rural counties with infrastructure and other improvements necessary to win economic development projects involving job creation and new capital investment. Approximately \$8.3 million was awarded in RIF program fund grants.

A total of \$2.7 million in Phase I Opportunity Grants were awarded to three (3) communities to assist with continuing the downtown redevelopment/streetscape projects originally approved for Opportunity Grant funding in 2004.

Each of the RIF and Opportunity Grants are detailed below.

**NEW GRANT AWARDS
RURAL INFRASTRUCTURE FUND
CALENDAR YEAR 2006 -**

GRANT NUMBER	GRANT RECIPIENT	COUNTY	GRANT AWARD	SCOPE OF WORK
RIF06440088	Union County	Union	\$400,000	Rail improvements for an economic development project
RIF06140089	Clarendon County	Clarendon	\$50,000	Certified Sites Program
RIF06060090	City of Barnwell	Barnwell	\$37,000	Develop a Master Plan for the City of Barnwell
RIF06120091	Chester County	Chester	\$25,000	Develop a Master Plan for Chester County
RIF06120092	Town of Great Falls	Chester	\$42,500	Develop a Master Plan for the Town of Great Falls
RIF06120093	Chester County	Chester	\$155,000	Site preparation and on-site wastewater improvements for an economic development project
RIF06450094	Williamsburg County	Williamsburg	\$250,000	Building improvements for an economic development project
RIF06170095	Dillon County	Dillon	\$100,000	Site preparation for an economic development project
RIF06300096	Laurens County	Laurens	\$400,000	Water infrastructure for an economic development project
RIF06140100	Clarendon County	Clarendon	\$500,000	Infrastructure development for the I-95 Megasite
RIF06290101	City of Lancaster	Lancaster	\$300,000	Lancaster Wastewater Treatment Plant Upgrade
RIF06030102	Town of Allendale	Allendale	\$40,800	Master Plan for streetscapes, building facades, and marketing strategies for downtown Allendale
RIF06130103	Town of Pageland	Chesterfield	\$47,300	Master Plan for streetscapes, building facades, and marketing strategies for downtown Pageland
RIF06200104	Town of Winnsboro	Fairfield	\$40,000	Master Plan for streetscapes, building facades, marketing strategies for downtown Winnsboro's business district
RIF06300105	City of Clinton	Laurens	\$108,000	Construction of a frontage road along Interstate 26 between Highways 56 and 72 allowing access to Clinton Corporation Park II
RIF06300106	Laurens County	Laurens	\$50,000	Used to support funding of the Mega-Site Certification process
RIF06350108	Marlboro County	Marlboro	\$150,000	Establish an Entrepreneurial Development & Training Center.
RIF06060109	Town of Blackville	Barnwell	\$150,000	Streetscape improvements in the central business district
RIF06340111	Marion County	Marion	\$80,000	Implement Marketing Plan for Marion County
RIF06440112	Union County	Union	\$80,000	Implement Marketing Plan for Union County
RIF06450113	Williamsburg County	Williamsburg	\$80,000	Implement Marketing Plan for Williamsburg County
RIF06330114	McCormick County	McCormick	\$80,000	Conduct an economic analysis for McCormick County
RIF06120116	Chester County	Chester	\$3,200,000	Site preparation, roads, water and sewer for an economic development project
RIF06450118	Williamsburg County	Williamsburg	\$350,000	Construction of a speculative building in the Hemingway Commerce Park
RIF06380120	Orangeburg County	Orangeburg	\$1,000,000	Site preparation and real property improvements for an economic development project
RIF06350121	Marlboro County	Marlboro	\$80,000	Implement a Marketing Plan for Marlboro County

GRANT NUMBER	GRANT RECIPIENT	COUNTY	GRANT AWARD	SCOPE OF WORK
RIF06450122	Williamsburg County	Williamsburg	\$28,000	Install underground water pipes in the Williamsburg County Industrial Park for an economic development project
RIF06020123	Aiken County	Aiken	\$25,000	Textile recovery plan and marketing strategy for proposed development/redevelopment with emphasis on Graniteville
RIF06060124	Allendale County	Allendale	\$80,000	Implement a Marketing Plan for Allendale County
RIF06310125	Lee County	Lee	\$400,000	Construction of a speculative building in the I-20 Industrial Center

**NEW OPPORTUNITY GRANT AWARDS
RURAL INFRASTRUCTURE FUND
CALENDAR YEAR 2006**

GRANT NUMBER	GRANT RECIPIENT	COUNTY	GRANT AWARD	SCOPE OF WORK
RIF06130097	Town of Cheraw	Chesterfield	\$844,000	Opportunity Grant to fund the Town's ongoing downtown beautification project
RIF06300098	City of Clinton	Laurens	\$900,000	Opportunity Grant to fund the City's ongoing downtown beautification project
RIF06240099	City of Greenwood	Greenwood	\$934,763	Opportunity Grant to fund Phase IV of the City's uptown enhancement project

TOURISM INFRASTRUCTURE FUND

OVERVIEW

Created by the South Carolina General Assembly in 1993 (SC Code 12-21-6510), the Tourism Infrastructure Admissions Tax Act allows fifty percent (50%) of the state admissions tax on a qualified new or expanding tourism or recreation establishment to be used for public infrastructure. The funds, collected for a period of 15 years, are allocated accordingly:

- 25% of the state admissions tax is directed to a special infrastructure development fund for disbursement by the South Carolina Coordinating Council based on an application made by the local government, and;
- 25% of the state admissions tax is directed to the county or municipality where the facility is located.

TYPES OF PROJECTS FUNDED

Eligible projects include new or expanding tourism or recreation facilities or designated development areas with an investment of at least \$20 million in land and new capital assets. An investment period cannot exceed five years (60 consecutive months).

A designated development area may have more than one investment period; however, the investment periods cannot overlap. Only the projects that open within the \$20 million/five-year investment period will qualify the local government for this incentive. New projects locating within an established designated development area must initiate a new investment period and create an additional \$20 million to qualify.

The full \$20 million investment must be made prior to qualifying for this incentive. Funds included in the minimum investment may be for public or private funds, or a combination of both public and private funds. In achieving the minimum investment requirement, secondary support facilities (hotels, food, and retail services) that are located within or adjacent to the major tourism or recreation facility or major tourism or recreation area and directly support the qualified development may also be included in the total investment.

RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT AND STAFF

1. The SC Department of Revenue deposits tax (equal to $\frac{1}{4}$ of state admission tax revenue received from new and expanding projects that exceed a \$20 million investment over five years) into a special account for each qualified facility. Funds are transferred to a special account at the Department of Commerce on a quarterly basis.
2. Coordinating Council staff must classify each tourism or recreation facility as a new tourism or recreation facility or an expansion to an existing tourism or recreation facility.
3. Council staff determines the amount of a grant based on review of a completed application submitted by the local government.
4. The Executive Committee of the Council must review and approve applications to fund additional infrastructure improvements as defined in the statute.
5. Staff ensures that a final grant award agreement is executed between the Coordinating Council and the local government.
6. Council may pay expenses for administering the Tourism Infrastructure Development Grant from the funds in the special account. CCED currently retains 10% of each pay request for administration of the program.
7. Staff processes pay requests and monitors grant through the duration of the project.
8. Funds that have not been applied for within one year after the end of the benefit period may be used at the discretion of the Coordinating Council for any infrastructure project in the state that will aid tourism.

2006 ACCOMPLISHMENTS

Council reviewed and approved one (1) Tourism Infrastructure Fund grant during calendar year 2006. Funds awarded will equal 100% of the funds available in the related Tourism Infrastructure Fund account, or 100% of deposits net of administrative fees.

MOTION PICTURE INCENTIVES

OVERVIEW

In May 2005, the South Carolina General Assembly passed the South Carolina Motion Picture Incentives Act (“Act”) creating incentives for motion pictures and television production companies that choose to film all or in part in South Carolina. The incentives require that both the production company and the production itself meet specific statutory requirements. Partial rebates of wages paid to employees who work on the production in the state and expenditures within the state are available, as well as sales and use tax exemptions for goods purchased in the state.

For qualifying companies that will spend at least \$1 million in South Carolina on eligible productions within one year, the Film Commission and the Coordinating Council for Economic Development may approve wage and supplier rebates in amounts equal to, respectively, up to 20% of certain South Carolina wages and 30% of in-state non-wage expenditures. These percentages reflect an increase in the incentives for the period from July 1, 2006 through June 30, 2007. Funds are applied for and reserved before a company begins filming.

TYPES OF PROJECTS FUNDED

Under the Act, a motion picture production company is a company engaged in the business of producing productions intended for a national theatrical release or for television viewing. Under the Act, a motion picture production company must film all or part of its production in South Carolina in order to even be considered for the incentives offered under the Act.

A “motion picture” is a feature-length film, video, television series or commercial made in whole or in part in South Carolina, and intended for national theatrical or television viewing or a television pilot produced by a production company.

The purpose of the incentives is to encourage the use of South Carolina as a site for film and television production, to advocate the hiring of South Carolina residents as staff, cast or crew, and to support and encourage the use of other South Carolina services and equipment companies by the entertainment industry in these productions.

RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT AND STAFF

1. The Film Commission, Department of Commerce and the Coordinating Council determine whether particular motion picture and television productions, and the expenditures associated with those productions, qualify for incentives under the Act.
2. Staff processes wage and supplier rebates at the end of production upon final verification and recommendation of the Incentives Auditor.

2006 ACCOMPLISHMENTS

In 2006, the Council approved wage and supplier rebates for eight productions that will spend nearly \$76 million in the state.

MOTION PICTURE PRODUCTIONS CALENDAR YEAR 2006			
PRODUCTION	TOTAL SC SPEND	TOTAL REBATE	LOCATION
Death Sentence	\$14,471,062	\$3,153,501	Richland
Patriotville	\$1,750,000	\$364,088	York, Chester
Asylum	\$7,900,000	\$1,438,114	York
Army Wives - PILOT	\$2,859,345	\$627,834	Charleston
Army Wives - SERIES	\$15,124,867	*TBD	Charleston
Strangers	\$4,900,000	**\$556,145	Florence
Who's Your Caddy	\$4,898,038	\$990,000	Horry
Leatherheads	\$24,000,000	*TBD	Upstate
Total	\$75,903,312	\$7,129,682	

* Production has not wrapped and Supplier and Wage rebates are yet to be determined

** Includes Supplier Rebate only; Wage rebate is yet to be determined

ENTERPRISE ZONE PROGRAMS

The South Carolina General Assembly enacted the Enterprise Zone legislation in 1995. Since that time, the incentives contained in this legislation have created a significant competitive advantage for this state. They have also greatly enhanced South Carolina's ability to compete for and win high quality, high wage economic development projects. As Enterprise Zone incentives are most valuable to companies locating or expanding in "distressed", "least developed" and "under developed" counties, Enterprise incentives have also helped attract needed jobs and industry to the most rural areas of the state.

THE JOB DEVELOPMENT CREDIT

The most significant incentive created by the Enterprise Zone legislation is the Job Development Credit ("JDC"). The JDC acts like a rebate, refunding some or all of a company's qualifying and eligible expenditures. The JDC can only be claimed, however, *after a company has proven that it has met an agreed level of new capital investment and net new job creation*. Companies must perform, in a manner consistent with their approval for the program, the level of job creation and the new capital investment on which the approval was based, before they can benefit from the program. Companies can take up to 5 years to complete their investment and job creation. At this point, they are "certified" by the Council to begin receiving JDC reimbursements.

After certification, the JDC can be claimed only *quarterly*. The reimbursement process is slow, designed to reimburse companies over a 10-year period for projects which entered into a preliminary revitalization agreement. (Should all eligible expenditures be recouped before 10 years, the process ends. In no case does the statute allow total JDCs received to exceed eligible expenditures.) Even over 10 years, many companies will recover only a small percentage of their total eligible expenditures. All eligible expenditures represent permanent capital investment that will stay in the state, regardless of what the company may do in the future and regardless of whether the company recoups these expenditures in the form of JDC reimbursement.

It is important to note that the statute does *not* allow reimbursement for moveable personal property, such as machinery and equipment and/or furniture and fixtures. These items typically represent the majority of an economic development project's total capital costs, and as a result, the state and locality gain much more than simply the eligible capital investment. In order to benefit from any reimbursement in the future, the company must *guarantee and meet* a level of total capital investment typically *2 to 8 times greater* than the reimbursable amount. In this way,

the Enterprise Zone JDC has proven extremely effective in stimulating a guaranteed increase in capital investment, and a related increase in local tax base for counties all across South Carolina.

ANNUALLY ADJUSTED JOB DEVELOPMENT CREDIT FACTORS

The amount a company can claim as a JDC depends on three factors: 1) wage levels for qualified new jobs, 2) development status of the county where the project locates or expands, and 3) maximum eligible expenditures. In no case can a company receive more than the total cost of its eligible expenditures.

1) Wage Levels

The maximum value of the JDC depends on the hourly pay rate for new positions. Since the statute was designed to encourage higher paying jobs, the higher the pay rate, the greater the benefit to the company. A company with positions that all pay \$20 per hour will be able to claim a JDC equal to 5% of the taxable wages for those positions. Conversely, a lower paying employer may qualify to claim only 2 or 3% of taxable wages for his positions. The SC Budget and Control Board adjusts the scale each year. The scale below shows the scale for calendar year 2006.

PERCENTAGE OF TAXABLE WAGES COMPANIES MAY CLAIM AS A JOB DEVELOPMENT CREDIT 2006	
Hourly Wage	Maximum % Claimed as JDC
\$7.87 to \$10.49	2%
\$10.50 to \$13.11	3%
\$13.12 to \$19.68	4%
\$19.69 and over	5%

2) County Development Status & Contributions to the State Rural Infrastructure Fund

Of the maximum, companies can actually claim 55% to 100%, depending on the status of the county at the time of approval for the program. Greatest benefit goes to companies locating or expanding in “distressed” and “least developed” counties. The difference between the maximum and the amount the company can claim goes to the State Rural Infrastructure Fund (RIF). As the Enterprise Program matures, *the RIF will represent a significant source of assistance to rural counties for infrastructure development*, and thus is key to preparing the state’s rural areas for economic development.

For the purposes of determining development status, the classifications correspond to those established for the Jobs Tax Credit corporate income tax credit. The state’s 46 counties are divided into five classifications based on unemployment rates and per capita income levels. Certain legislative designations are included which can move a county from one

classification into a lower classification. The five classifications and the percentages of maximum Job Development Credits that can be claimed in each are shown in the table below.

COUNTY CLASSIFICATIONS FOR THE JOB DEVELOPMENT CREDIT	
County Classification	Allowable Credit as % of Total JDC
Developed	55%
Moderately Developed	70%
Under Developed	85%
Least Developed & Distressed	100%

JOB RETRAINING CREDIT

South Carolina's existing industry must remain competitive and profitable in order to avoid loss of jobs to other states and countries. To assist with this, the Enterprise Act of 1995 also provided a retraining incentive for existing industry. This "retraining credit" allows eligible businesses to claim a credit against withholding tax for the cost of retraining existing production employees, provided the training is necessary for the company to remain competitive or to introduce new technologies.

The Enterprise Zone legislation requires that retraining be approved and performed by the technical college serving the designated site. The technical college may provide the retraining program directly or contract with other training entities to accomplish the training outcomes.

The Coordinating Council defines production employees as employees who are directly engaged in the actual making of tangible personal property or who are directly involved in manufacturing, processing operations or distribution. Eligible businesses may not claim more than \$500 per calendar year, or \$2,000 over a five-year period, per production employee. Furthermore, a company must match – on a dollar for dollar basis – the employee's withholding share claimed for the training. Finally, companies may not claim **both** the Job Development Credit and the Retraining Credit on the same position.

RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

The Enterprise Zone Act gives the South Carolina Coordinating Council for Economic Development authority to administer this incentive in a manner consistent with the Act. The Act charges the Coordinating Council with establishing criteria for approval of qualifying businesses, conducting an adequate cost/benefit analysis with respect to proposed projects and incentives proposed to be granted, and preparing a public document that summarizes each revitalization agreement concluded during the prior calendar year. Per Section 12-10-100 (c), this report shall list each revitalization agreement, the results of each cost/benefit analysis, and receipts and expenditures of application fees.

2006 ACCOMPLISHMENTS

During calendar year 2006, 71 projects were approved for the Job Development Credit, and these projects have made an initial commitment to create 9,007 new jobs and to invest \$2.5 billion in capital land, building or equipment. Projected 10-year net economic benefit is \$10.9 billion in value to the state, the locality and private citizens in the form of wages.

Also in 2006, companies continued to apply for, and be approved for, 5-year retraining agreements. Having negotiated training plans with the technical college serving their area, 25 retraining plans were approved for the Enterprise Zone retraining credit, representing 21 companies. Under these 5-year plans, the 21 companies indicated that a total of 12,192 employees represent qualified “production employees” eligible for retraining credits.

SUMMARY OF 2006 ENTERPRISE ZONE PROGRAM ACTIVITY & APPLICATION FEES

SOUTH CAROLINA ENTERPRISE PROGRAM 2006 PROJECT APPROVALS	
JOB DEVELOPMENT CREDITS:	
Number of Approved Projects	71
Projected Jobs	9,007
Projected Capital Investment	\$2,552,647,447
Net Economic Benefit (over 10 years)	\$10,923,404,208
RETRAINING CREDITS:	
Number of Retraining Agreements	25
Employees to be Retrained (over 5 years)	12,192

APPLICATION FEES	
RECEIPTS:	
January 1 – December 31, 2006	\$412,500
EXPENDITURES:	
Personnel & Administration	\$214,172.59

SUMMARY OF 2006 ENTERPRISE ZONE PROGRAM ACTIVITY

2006 JOB DEVELOPMENT CREDIT PROJECTS - BY COUNTY CLASSIFICATION -			
COUNTY CLASSIFICATION	NUMBER OF PROJECTS	PROJECTED INVESTMENT	PROJECTED JOBS
Developed	19	\$1,849,089,554	2,528
Moderately Developed	15	\$151,207,897	2,060
Under Developed	7	\$62,250,000	658
Least Developed	21	\$297,597,447	2,772
Distressed	9	\$192,502,136	989
Totals	71	\$2,552,647,034	9,007

2006 JOB DEVELOPMENT CREDIT PROJECTS - BY PROJECT TYPE -			
PROJECT TYPE	FIRMS	PROJECTED INVESTMENT	PROJECTED JOBS
Expansion	30	\$592,621,468	2,640
New	41	\$1,960,025,566	6,367
Totals	71	\$2,552,647,034	9,007

**ENTERPRISE ZONE PROGRAM
PRELIMINARY REVITALIZATION AGREEMENTS
CALENDAR YEAR 2006 APPROVALS**

Note: Not all projects have been announced

PROJECT NUMBER	COUNTY	PROJECTED INVESTMENT	PROJECTED JOBS	PROJECTED 15-YEAR NET ECONOMIC BENEFIT	PROJECT TYPE
EZ06022128	Aiken	\$50,000,000	76	\$128,526,566	Expansion
EZ06022056	Aiken	\$1,685,000	52	\$58,515,471	Expansion
EZ06022185	Aiken	\$4,150,000	70	\$61,036,489	New
EZ06042198	Anderson	\$2,500,000	30	\$19,474,699	Expansion
EZ06062168	Barnwell	\$1,900,000	13	\$23,041,200	Expansion
EZ06072038	Beaufort	\$6,500,000	150	\$163,962,165	Expansion
EZ06072178	Beaufort	\$7,500,000	70	\$54,007,840	Expansion
EZ06082123	Berkeley	\$33,000,000	200	\$221,134,984	Expansion
EZ05082089	Berkeley	\$86,900,000	34	\$93,530,927	New
EZ06082165	Berkeley	\$600,000,000	200	\$740,456,946	New
EZ06082219	Berkeley	\$9,183,000	28	\$34,628,037	New
EZ06102186	Charleston	\$4,300,000	70	\$63,606,298	New
EZ06102217	Charleston	\$3,385,000	40	\$34,375,314	New
EZ06102222	Charleston	\$5,300,000	120	\$90,836,119	Expansion
EZ06112118	Cherokee	\$9,700,000	50	\$37,090,650	New
EZ06112157	Cherokee	\$7,500,000	110	\$76,895,109	New
EZ06112215	Cherokee	\$19,300,000	50	\$53,704,634	New
EZ05122098	Chester	\$103,528,000	400	\$436,719,676	New
EZ06142213	Clarendon	\$35,024,136	17	\$42,108,243	New
EZ06182190	Dorchester	\$1,535,000	98	\$73,007,372	Expansion
EZ06182210	Dorchester	\$5,450,000	250	\$168,650,365	Expansion
EZ06202120	Fairfield	\$1,505,000	70	\$34,305,298	New
EZ06212159	Florence	\$35,750,000	90	\$64,994,896	New
EZ06212124	Florence	\$12,274,000	20	\$27,644,526	Expansion
EZ06212179	Florence	\$43,000,000	24	\$80,980,910	Expansion
EZ06232117	Greenville	\$103,324,000	600	\$799,316,891	New
EZ06232116	Greenville	\$12,000,000	38	\$54,344,790	New
EZ06232146	Greenville	\$7,450,000	75	\$94,267,783	New
EZ06232200	Greenville	\$38,973,554	190	\$20,812,007	Expansion
EZ06232201	Greenville	\$100,000,000	30	\$114,568,118	Expansion
EZ06232221	Greenville	\$166,000,000	200	\$338,598,599	Expansion
EZ06242135	Greenwood	\$10,600,000	50	\$41,037,688	New
EZ06242148	Greenwood	\$6,875,000	40	\$32,321,002	New
EZ06242174	Greenwood	\$19,000,000	35	\$37,918,716	New
EZ06242152	Greenwood	\$17,900,000	45	\$53,762,083	Expansion
EZ05272079	Jasper	\$8,210,000	27	\$20,863,035	New
EZ06292080B	Lancaster	\$55,622,000	700	\$1,312,184,988	New

**ENTERPRISE ZONE PROGRAM
PRELIMINARY REVITALIZATION AGREEMENTS
CALENDAR YEAR 2006 APPROVALS
(CONTINUED)**

Note: Not all projects have been announced

PROJECT NUMBER	COUNTY	PROJECTED INVESTMENT	PROJECTED JOBS	PROJECTED 15-YEAR NET ECONOMIC BENEFIT	PROJECT TYPE
EZ06292080C	Lancaster	\$60,336,500	700	\$1,429,571,414	New
EZ06292121	Lancaster	\$11,000,000	150	\$221,804,212	New
EZ06292094	Lancaster	\$2,000,000	30	\$56,397,451	New
EZ06292130	Lancaster	\$4,993,997	25	\$89,218,807	Expansion
EZ06292109	Lancaster	\$10,000,000	300	\$602,042,244	New
EZ06292202	Lancaster	\$4,909,950	92	\$113,385,139	New
EZ06292220	Lancaster	\$24,100,000	66	\$65,272,044	New
EZ06302100	Laurens	\$5,750,000	102	\$53,413,878	Expansion
EZ06302166	Laurens	\$9,000,000	80	\$53,127,838	New
EZ06302197	Laurens	\$8,535,000	30	\$20,232,290	New
EZ06312182	Lee	\$7,500,000	76	\$42,068,068	New
EZ06322207	Lexington	\$8,250,000	22	\$22,087,807	Expansion
EZ06342113	Marion	\$3,000,000	40	\$24,880,547	New
EZ06342147	Marion	\$5,550,000	160	\$10,636,380	Expansion
EZ06352216	Marlboro	\$17,500,000	40	\$55,153,137	New
EZ06392151	Pickens	\$3,200,000	90	\$51,891,881	Expansion
EZ06392173	Pickens	\$13,700,000	287	\$233,870,080	Expansion
EZ06392206	Pickens	\$14,640,000	100	\$79,745,442	New
EZ06402144	Richland	\$15,089,000	90	\$117,096,608	Expansion
EZ06402164	Richland	\$600,000,000	200	\$748,308,643	New
EZ06422110A	Spartanburg	\$9,707,980	306	\$141,389,614	New
EZ06422110B	Spartanburg	\$2,500,000	605	\$260,805,409	New
EZ06422110C	Spartanburg	\$3,240,000	403	\$176,929,809	New
EZ06422125	Spartanburg	\$5,000,917	20	\$17,869,788	Expansion
EZ06422161	Spartanburg	\$750,000	80	\$69,809,076	New
EZ06422196	Spartanburg	\$6,100,000	75	\$46,523,324	Expansion
EZ06422183	Spartanburg	\$9,500,000	32	\$28,145,545	New
EZ06432106	Sumter	\$225,000	40	\$24,672,189	Expansion
EZ06432115	Sumter	\$5,000,000	55	\$40,566,638	Expansion
EZ06432162	Sumter	\$6,900,000	37	\$27,435,440	Expansion
EZ06432188	Sumter	\$18,585,000	49	\$39,754,304	Expansion
EZ06452169	Williamsburg	\$760,000	20	\$12,516,757	Expansion
EZ06452193	Williamsburg	\$12,300,000	43	\$43,327,871	New
EZ06452175	Williamsburg	\$6,200,000	200	\$100,224,100	New

**ENTERPRISE ZONE PROGRAM
FINAL REVITALIZATION AGREEMENTS
CALENDAR YEAR 2006 APPROVALS**

COMPANY NAME	COUNTY	PROJECTED 15-YEAR NET ECONOMIC BENEFIT
Aladdin Manufacturing Corp (Mohawk Industries)	Marlboro	\$261,389,883
American Standard, Inc.	Richland	\$233,626,967
Bosch Rexroth Corporation	Greenville	\$90,849,995
Carolina First Bank	Greenville	\$799,316,891
CitiFinancial, Inc. (SC)	York	\$174,902,705
CitiMortgage, Inc.	York	\$58,300,902
Companion Professional Services, LLC	Richland	\$26,998,540
Delavan, Inc. dba Turbine Fuel Technologies	Greenville	\$34,954,318
DolgenCorp., Inc.	Union	\$322,119,255
ESP Associates, P.A.	York	\$140,801,670
Hess Lighting II, Inc. dba Hessamerica, Inc.	Cherokee	\$19,922,385
Inspiration Networks (The)	Lancaster	\$233,715,450
Kiawah Island Inn Company, LLC	Charleston	\$474,615,148
Kimberly-Clark Corporation	Aiken	\$241,028,583
MTU Driveshafts, LLC	Charleston	\$125,272,116
Novant Health, Inc.	York	\$224,890,904
Perdue Farms, Inc.	Dillon	\$15,302,010
Reliable Automatic Sprinkler Co., Inc. (The)	Pickens	\$225,945,944
SEFA Group, Inc. (The)	Georgetown	\$18,455,459
Sharonview Federal Credit Union	Lancaster	\$123,336,115
Springfield, LLC	Spartanburg	\$23,603,314
Square D Company	Richland	\$69,600,538
St. Jude Medical	Pickens	\$73,903,194
Stankiewicz International Corp.	Spartanburg	\$59,976,906
ThyssenKrupp Presta SteerTec USA, LLC	Charleston	\$44,530,071
Urban Outfitters, Inc.	Edgefield	\$149,628,991
Valenite, LLC	Oconee	\$59,633,003

**ENTERPRISE ZONE PROGRAM
5-YEAR RETRAINING AGREEMENTS
CALENDAR YEAR 2006 APPROVALS**

COMPANY NAME	COUNTY	EMPLOYEES ELIGIBLE TO BE RETRAINED DURING 5-YEAR AGREEMENT
AGY Aiken, LLC	Aiken	652
Alumax of SC, Inc. (Alcoa Mt. Holly)	Berkeley	400
Becton Dickinson & Company	Sumter	665
Boiler Tube Company of America	Spartanburg	10
Bowater, Inc., Coated Paper Division	York	803
Carlisle Tire & Wheel Company	Aiken	65
Easley Custom Plastics, Inc.	Pickens	130
Faurecia Interior Systems, Inc.	Laurens	410
Federal Mogul Corporation	Clarendon	484
FN Manufacturing, LLC	Richland	325
Goodrich Pump and Engine	Bamberg	100
Invista S.a'r.l.	Spartanburg	329
Mark IV Automotive-Dayco Products	Pickens	450
Michelin Americas Research & Dev. Corp.	Greenville	500
Michelin North America, Inc.	Spartanburg	900
Michelin North America, Inc.	Anderson	700
Michelin North America, Inc.	Greenville	1,000
Michelin North America, Inc.	Lexington	1,000
Owens Corning	Anderson	300
Porter's Fabrication	Sumter	60
Roche Carolina, Inc.	Florence	163
Solutia, Inc.	Greenwood	200
Sonoco Products Company	Darlington	1,200
Springs Global US, Inc.	York	824
U.S. Engine Valve Company	Oconee	200
UTI Integrated Logistics	Kershaw	382

GRANT PROGRAM COMPLIANCE

Economic Development Set-Aside, Rural Infrastructure Fund, Governor's Closing Fund and Tourism Infrastructure Fund grants are made under and in accordance with the laws of the State of South Carolina. The federal and state courts within the State of South Carolina have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with these grants.

Failure to comply with any of the terms and conditions of the grant can cause the Council to take, in addition to any relief that it is entitled to by law, any or all of the following actions:

- require repayment of all or a portion of any grant funds provided; cancel, terminate, or suspend the grant, in whole or in part; or,
- refrain from extending any further assistance or grant funds until such time as the grantee is in full compliance with the terms and conditions of the grant agreement.

MONITORING

Projects must be completed by the grantee within eighteen (18) months of the date of award of the grant. Completion is defined as the final documentation by grantee to Council of grant funds expended and issuance by Council of a notification in writing of the closure of the grant. The Council may grant extensions to the completion period requirement at its discretion.

All projects must begin within three (3) months of the date of award of the grant. If the grantee does not begin the project within three (3) months of the date of award of the grant, the Council reserves the right to rescind the grant, require the repayment of any grant funds provided to grantee and terminate the agreement.

PROCUREMENT

Records for property purchased totally or partially with grant funds must be retained for a period of three years after its final disposition. The grantee will maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three years. All other pertinent grant and project records including financial records, supporting documents, and statistical records will be retained for a minimum of three years after notification in writing by the Council of the closure of the grant.

The grantee will certify, to the best of its knowledge, information and belief, that the work on the project for which reimbursement is requested has been completed in accordance with the terms and conditions of the Agreement. The grantee will return surplus grant funds that result from project cost underruns, and commit and provide monies from its own resources for cost overruns that are required to complete the project.